

Business Development in the Detroit Region

**House Commerce Committee
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The Detroit Regional Chamber

- Largest chamber of commerce in the U.S. with over 20,000 members
- Established 1903
- 90 staff members
- 60-member board of directors
- Organized in 3 major areas:

Business Development
Public Policy/Regional Affairs
Membership:
Growth
Products/Services
Events

The Detroit Regional Economic Partnership

- Founded in 1997
- 10 Counties & the City of Detroit
- 100 Public/Private Sector Investors
- Business Attraction, Expansion and Retention

Over the last 8 years, Partnership efforts have resulted in:

- \$3.6 Billion invested in new development
- 450 new companies expanded or relocated in the Detroit Region
- 11,000 new jobs created

The Detroit Region

- 10 County Region
- Over 5.5 million people
- More than half of Michigan's businesses
- Gross Regional Domestic Product - \$200 Billion



The Detroit Region. . . A Gateway to the World

- Busiest trade corridor in the world - \$200 Billion in trade annually.
- 8 international border crossings – Premier gateway to Canada
- #1 trade hub in NAFTA market - \$140 Billion annually
- \$300 Million “Just In Time” deliveries daily

The Detroit Region. . . A Gateway to the World

- Over 12,000 Michigan exporters, mainly SME's
- More than \$40 Billion in manufactured goods exported annually
- Northwest Hub – 30 International Destinations
- Willow Run – International Cargo Facility

Global Marketing for the Detroit Region

More Than 900 foreign-held companies representing 28 countries from around the world have a presence in the Detroit Region.

The top 5 Countries are:

<u>Country</u>	<u># of Companies</u>
Japan	228
Germany	174
France	96
Canada	94
United Kingdom	59

“Brain Center” of the Automotive Industry

Michigan ranks #1 in vehicle-related R&D spending

Michigan – 85%



All Other States – 15%

• There are over 225 automotive R&D Centers in the Detroit Region, employing over 200,000 automotive designers

• More than 10,000 engineers and technicians graduate from Detroit Region colleges and universities each year

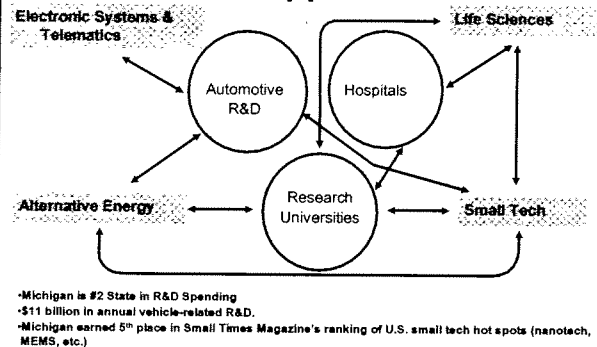
• Detroit has more engineers per capita than any other region in the U.S.

Automotive Industry Decisions are made in the Detroit Region

- 87 of the top 150 North American OEM suppliers have a headquarters in Detroit
- 46 Of the top 50 global OEM parts suppliers have a significant presence in Detroit

Source: Automotive News, 2005

Future Opportunities



Target Industries

- Alternative Energy
- Aerospace
- Defense
- Life Sciences/Medical Devices
- Transportation R&D/Logistics

Incentives

What Worked

- MEGA = good, still good
- SBT/MBT credits = good, still good

Current Shortcomings

- Focused on number of jobs
- Need more up front money

Investing for the Future

- Up front financing: IN capitalized its toll road
- Finesse the incentives: encourage capital-based industries
- Strategic deployment of incentives and inputs: atmosphere needed for target industries
- Targeting incentives toward "multiplier" companies

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